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Counsel to the Debtors and  
Debtors in Possession

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

- - - - - x  
In re: : Chapter 11  
CIRCUIT CITY STORES, INC., : Case No. 08-35653  
et al., :  
Debtors. : Jointly Administered  
- - - - - x

**MOTION OF THE DEBTORS PURSUANT TO 11 U.S.C. § 105,  
AND LOCAL BANKRUPTCY RULE 9013-1(M) FOR AN ORDER  
SETTING AN EXPEDITED HEARING**

The debtors and debtors in possession in the  
above-captioned cases (collectively, the "Debtors")<sup>1</sup>

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<sup>1</sup> The Debtors are the following entities: The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City  
(cont'd)

hereby move the Court (the "Motion") for the entry of an order, pursuant to 11 U.S.C. § 105 and Rule 9013-1(M) and (N) of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Eastern District of Virginia (the "Local Bankruptcy Rules"), setting an expedited hearing on: (I) Debtors' Motion for Order Approving Letter Agreement (the "Letter Agreement") By and Among the Debtors and a Joint Venture Comprised of Great American Group WF, LLC, Hudson Capital Partners, LLC, SB Capital Group, LLC and Tiger Capital Group, LLC Pursuant to Bankruptcy Code Sections 105 and 363 and Bankruptcy Rule 9019 (the "9019 Motion"); (II) Debtors' Motion for Order Shortening Notice Period and Limiting Notice of the 9019 Motion (the "Motion to Shorten Notice"); and (III) Debtors' Motion to File Certain Documents Under Seal (the "Seal Motion") for March 30,

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*(cont'd from previous page)*

Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), Prahs, Inc. (n/a), XSStuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512). The address for Circuit City Stores West Coast, Inc. is 9250 Sheridan Boulevard, Westminster, Colorado 80031. For all other Debtors, the address is 9950 Mayland Drive, Richmond, Virginia 23233.

2009, at 10:00 a.m. In further support of the Motion, the Debtors respectfully represent:

#### **JURISDICTION AND VENUE**

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory bases for the relief requested herein are section 105(a) of the Bankruptcy Code, 11 U.S.C. §§ 101-1532 (the "Bankruptcy Code"), and Local Bankruptcy Rule 9013-1(M) and (N).

#### **BACKGROUND**

##### **A. The Bankruptcy Cases.**

3. On November 10, 2008 (the "Petition Date"), the Debtors filed voluntary petitions in this Court for relief under chapter 11 of the Bankruptcy Code.

4. The Debtors continue to manage and operate their businesses as debtors in possession pursuant to Bankruptcy Code sections 1107 and 1108.

5. On November 12, 2008, the Office of the United States Trustee for the Eastern District of Virginia

appointed a statutory committee of unsecured creditors (the "Creditors' Committee"). To date, no trustee or examiner has been appointed in these chapter 11 cases.

**B. The Going Out of Business Sales Agreement.**

6. In January 2009, the Debtors began soliciting offers from liquidation firms to conduct store closing sales at five hundred sixty seven (567) retail store locations and distribution centers (the "Remaining Stores") and to liquidate the Debtors' inventory and certain other assets therein (the "GOB Sales").

7. On January 12, 2009, the Court entered an order authorizing the Debtors to conduct one or more auctions for a sale or sales of the Debtors' businesses as a going concern or for liquidation (D.I. 1460).

8. At the conclusion of an auction held on January 15, 2009, the Debtors determined that the highest and otherwise best bid for their assets was presented in the form of a bid to liquidate the Debtors' inventory at the Remaining Stores and was the bid submitted by the joint venture comprised of Great American Group WF, LLC, Hudson Capital Partners, LLC, SB Capital Group, LLC and Tiger Capital Group, LLC

(together, the "Agent"). Thus, on January 15, 2009, the Debtors and the Agent executed a agency agreement (the "Agency Agreement").<sup>2</sup>

9. On January 16, 2009, the Court approved the Agent's bid and the Agency Agreement and authorized the Debtors to conduct going out of business sales at the Remaining Stores (D.I. 1634; the "GOB Order"). The Agent commenced going out of business sales at the Debtors' Remaining Stores on January 17, 2009.

10. As of March 8, 2009 the GOB Sales at the Remaining Stores had concluded.

#### **RELIEF REQUESTED**

11. On March 26, 2009, the Debtors filed the 9019 Motion, the Motion to Shorten Notice and the Seal Motion. By this Motion, the Debtors seek this Court's entry of an order setting an expedited hearing on these motions for Friday, March 30, 2009 at 10:00 a.m. (the "Expedited Hearing"), or as soon thereafter as counsel may be heard, to consider the foregoing motions.

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<sup>2</sup> On November 4, 2008, the Debtors and Agent amended and restated the Agency Agreement to address certain non-material issues that arose following October 31, 2008.

12. As set forth in the 9019 Motion, at the Expedited Hearing, the Debtors will seek entry of an order approving the Letter Agreement. Additionally, the Debtors are seeking authority to shorten and limit notice of the 9019 Motion and to file the Letter Agreement under seal.

**BASIS FOR RELIEF**

13. The Debtors seek approval of the foregoing motions on an expedited basis because the settlement is favorable to the Debtors, their estates, their creditors, and all parties in interest. Moreover, the settlement is conditioned on the approval of the 9019 Motion on March 30, 2009. Additionally, the Committee has consented to the relief sought in the 9019 Motion.

14. Thus, the Debtors believe cause exists to hear the foregoing motions on March 30, 2009 at 10:00 a.m. (Eastern time).

15. Local Bankruptcy Rule 9013-1 allows the setting of a hearing on an expedited basis as requested herein. Attached hereto as Exhibit B is the certification required under Local Rule 9013-1(N).

16. Additionally, section 105(a) of the Bankruptcy Code provides this Court with the power to set expedited hearings. Section 105(a) states that a bankruptcy court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a).

**NOTICE**

17. Notice of this Motion, the 9019 Motion, the Motion to Shorten Notice and the Seal Motion is being provided to (i) the Office of the United States Trustee for the Eastern District of Virginia; (ii) counsel to the agent for the DIP Lenders; (iii) counsel to Creditors' Committee; (iv) parties who have requested notice pursuant to Bankruptcy Rule 2002; and (v) the Core Group (as defined in the Case Management Order entered on November 13, 2008 at Docket No. 130). The Debtors submit that, under the circumstances, no other or further notice need be given.

**WAIVER OF MEMORANDUM OF LAW**

18. Pursuant to Local Bankruptcy Rule 9013-1(G), and because there are no novel issues of law presented in the Motion and all applicable authority is set forth

in the Motion, the Debtors request that the requirement that all motions be accompanied by a separate memorandum of law be waived.

**NO PRIOR REQUEST**

19. No previous request for the relief sought herein has been made to this Court or any other court.



**CONCLUSION**

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form annexed hereto as Exhibit A, granting the relief requested in the Motion and such other and further relief as may be just and proper.

Dated: March 26, 2009 SKADDEN, ARPS, SLATE, MEAGHER &  
Richmond, Virginia FLOM, LLP  
Gregg M. Galardi, Esq.  
Ian S. Fredericks, Esq.  
P.O. Box 636  
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- and -

MCGUIREWOODS LLP

/s/ Douglas M. Foley .  
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Counsel for Debtors and Debtors  
in Possession

**EXHIBIT A**

Gregg M. Galardi, Esq.  
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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION

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In re: : Chapter 11  
:   
CIRCUIT CITY STORES, INC., : Case No. 08-35653  
et al., :   
:   
Debtors. : Jointly Administered  
- - - - - x

**ORDER SETTING AN EXPEDITED HEARING**

Upon the motion (the "Motion")<sup>1</sup> of the Debtors  
for an order, pursuant to Bankruptcy Code section 105  
and Rule 9013-1(M) and (N) of the Local Bankruptcy Rules

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

for the United States Bankruptcy Court for the Eastern District of Virginia (the "Local Bankruptcy Rules"), requesting an expedited hearing and shortened notice on the 9019 Motion, the Motion to Shorten Notice and the Seal Motion (collectively, the "9019 Motions"); and the Court having reviewed the Motion and the 9019 Motions; and the Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and good and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED that:**

1. The Motion is GRANTED.
2. A hearing will be held on March 30, 2009 at 10:00 a.m., prevailing Eastern Time, to hear and consider the 9019 Motion, the Motion to Shorten Notice and the Seal Motion.

3. Adequate notice of the relief sought in the Motion has been given and no further notice is required.

4. The Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Richmond, Virginia  
\_\_\_\_\_, 2009

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UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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/s/ Douglas M. Foley  
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Richmond, Virginia 23219  
(804) 775-1000

Counsel to the Debtors and Debtors in Possession

**CERTIFICATION OF ENDORSEMENT UNDER LOCAL RULE 9022-1(C)**

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Douglas M. Foley  
Douglas M. Foley

**EXHIBIT B**

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IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE EASTERN DISTRICT OF VIRGINIA  
 RICHMOND DIVISION

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In re:	:	Chapter 11
	:	
CIRCUIT CITY STORES, INC.,	:	Case No. 08-35653
<u>et al.</u> ,	:	
	:	
Debtors.	:	Jointly Administered
- - - - -	X	

**CERTIFICATION FOR EXPEDITED HEARING**

The above-captioned debtors (collectively, the  
 "Debtors") contemporaneously herewith are filing, the  
 Motion of the Debtors, Pursuant to 11 U.S.C. § 105 and  
 Local Bankruptcy Rule 9013-1(M), for an Order Setting an

Expedited Hearing (the "Motion to Expedite").<sup>1</sup> In support thereof, and as required by Rule 9013-1(N) of the Local Bankruptcy Rules of the United States Bankruptcy Court for the Eastern District of Virginia, the undersigned counsel for the Debtors certify as follows:

1. I am a member of the Bar of this Court, and I have carefully examined these matters and there is a true necessity for an emergency hearing.

2. The necessity for this emergency hearing has not been caused by any lack of due diligence on my part, but has been brought about only by the circumstances of the Debtors' chapter 11 cases.

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Motion to Expedite.

3. Based upon the nature of the matters and the relief requested in the Motion to Expedite, no *bona fide* effort to resolve these matters without a hearing is possible.

\_\_\_\_/s/ Douglas M. Foley \_\_\_\_\_  
Douglas M. Foley

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